



MEMORANDUM NO.: 4

TO: School District Superintendents
School Food Service Directors/Supervisors

FROM: Todd A. Bedenbaugh, Interim Director
Office of School Food Services and Nutrition

DATE: September 22, 2008

RE: Verification Requirements for School Year 2008-09

School food authorities also referred to as Local Education Agencies (LEAs) are required to verify the eligibility information on a sample of free and reduced price meal applications approved in any given school year as specified by federal regulations.

Steps for Verification Process

I. Confirmation Review

All applications selected for verification are subject to a second party check for an accurate approval or "confirmation review" prior to conducting other verification activity (i.e., as notifying the households).

The confirmation review must be conducted by an individual other than the individual who made the initial eligibility determination. Local education agencies (LEAs) using a technology based approval system, however, may not need this second party check.

Once required confirmation reviews are completed, the LEA can proceed if the household was approved correctly or is still eligible for free or reduced price meal benefits. If no longer eligible as a result of the confirmation review, the application must be replaced in the sample by a similar application (i.e., an application within \$100 of the monthly eligibility limit).

II. Decline and Replacement Provision

Local education agencies are allowed, on an individual basis, to decline to verify up to five percent (5 percent) of the applications selected. Any application removed from the sample must be replaced. However, this

provision allows LEAs to remove selected applications from the sample that would be most difficult to verify due to communication or language barriers, household instability, or other similar factors. The main issue is that children in such households are likely to be eligible for meal benefits but would end up no longer eligible due to the verification effort and a household's failure to respond.

III. Follow-up Requirements with Households

The National School Lunch Act now requires additional follow-up activities with the households selected for verification.

- A toll-free telephone number or phone numbers at no cost must be available to households seeking assistance.
- The LEA must have someone available who is able to provide help, information, or assistance to households.
- A formal follow-up is required when a household fails to respond to the initial verification request. The LEA must make at least one additional attempt to obtain the required income verification from the household. This follow-up contact can be made by mail, telephone, e-mail, or through personal contact.
- If the LEA is unable to verify the household's eligibility after the follow-up attempt(s), the household's benefits must be terminated, an adverse action letter must be sent no later than November 15, and the households must be reported in the required summary report as a non-responder.

IV. Deadline Changes

The minimum sample size of applications to verify is based on the total number of approved applications on file on **October 1** or one month earlier than the previous deadline. The verification process with notifications and reminders to households at 10-calendar day increments must be completed no later than **November 15**. This means the adverse action letters must be sent to households by this date and actual eligibility changes implemented by Thanksgiving. Keep in mind that these critical dates are now a month sooner and that your plan for completing verification for 2008-09 incorporates this schedule.

V. Sample Selection Methods

Two thirds of the LEAs in South Carolina will be required to select a 3 percent sample from error-prone applications. This 3 percent sample must be drawn from household applications reporting income within \$100 of the monthly eligibility guidelines or \$1200 of the annual cutoff.

Similar to focused or targeted sampling, the error-prone sampling method focuses on income reporting applicants who are more likely to misreport income. To accommodate this method, household applications with reported monthly income within the \$100 range of the guidelines will need to be identified in some manner to simplify the selection process.

Once the sample size is determined based on the total number of free and reduced-price meal applications approved on October 1, the 3 percent sample must then be selected from the income-reporting error-prone households. Some LEAs are currently using software packages which automatically flag these household applications during the approval process.

All school food authorities with non-response rates of over 20 percent for 2007-08 must use the error-prone sample selection method. The remaining districts with non-response rates of 20 percent or less will be allowed to use current selection methods of random and 1.5 percent focused sampling. Enclosed are updated descriptions of the two procedures as outlined in Section 10 of the *Program Reference Manual*.

VI. Reporting Verification Activity Results

Through the use of the Verification Roster, the following data elements must be assessed to complete this electronic report: type of application used (must be household for 2008-09), school and enrollment numbers, number of free and reduced children not subject to verification (i.e., direct certifications and homeless), number of children approved on basis of food stamp or TANF case number, number of children and applications approved free and those approved reduced based on income, method of verification sampling used, and a summary of results for each application selected for verification including non-response and re-application by February 15. All of this detail is required to complete the roster and final electronic report to the United States Department of Agriculture (USDA).

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